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**The Insurance Debacle of 1956: Why Depositors
Cheered for Albert Benton Shoemake's Attempted Suicide**

BY ALEXANDER J. DODD

1956 was expected to be a year of general prosperity in the state of Texas.¹ A five-year drought, the longest of Texas' history to that point, lasted from 1950-1955, ended and allowed businesses to move forward toward economic stability.² The Texas Almanac of 1955-1956 claimed that, even during the drought, Texas had "years of record attainment in building, industrial employment, merchandise sales and general commercial activity."³ Texas appeared to benefit from the emerging prosperity and the hard work of Texans through the drought. However, one key event showed how businesses, specifically Texas insurance agencies, were less secure than what was reported in the news or listed in the Almanac and how this impacted the perceived dependability of these companies promoted in local advertisements. This research examines the suicide attempt of Albert Benton Shoemake, President of the U.S. Trust and Guaranty Co., which broke new ground in the developing foundation of insurance dealings in East Texas. Shareholders and families relying on Texas insurance worried about trust, loyalty, and dependability. The fall of Shoemake's companies exposed crooked administrative practices and his suicide attempt brought it into the spotlight. To understand how this case affected Texas insurance companies, and the people who invested in them, this research will include primary accounts from sources such as Huntsville and Walker County records, the Houston Chronicle, the Huntsville Item, and the Austin Statesman. This research begins with an article published in the *Huntsville Item* in 1956.

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Local newspapers in 1956 were loaded with advertisements from local banks and insurance agencies promising dependability and an obligation to ethical practice. These, of course, were written on the horizon of what would be the second largest insurance disaster in all of Texas history. On January 5, 1956, the *Item* published an article entitled "Progress in 1955."⁴ This short article sets the stage for local Huntsville banks and their eventual fight against the distrust of the people toward big business. The article states that the year of 1956 promises growth after a long drought in 1955. Walker County relied on each person to use their opportunities to "make Huntsville the golden spot of East Texas and the nearby Gulf Coast area."⁵ This advertisement sought to promote togetherness among the people, then introduce their services into the midst of this feel-good promise. The article ends with a simple statement referring to Texas business: "We can make it whatever we want it to be- come what may!"⁶ In fact, located in the article directly below was another short titled: "State Capitol News."⁷ The article reports Drew Pearson's proposed involvement with U.S. Trust and Guaranty Co., how the Senate began hearings investigating the company, other insurance companies owned by Shoemake were set under investigation, and land suits were filed with talk of insurance manipulations. The end of the article promises a great year for big business in Texas. Though they exerted great effort, scandal was coming to a head in East Texas.

On June 24, 1955, the U.S. Trust and Guaranty Co. was put under a temporary restraining order after refusing to disclose its failure to keep proper accounts, falsifying accounts, and from unauthorized investments made by the company to the general public.⁸ The state insurance commission issued the restraining order and the U.S. Trust and Guaranty Co. faced a receivership hearing in Austin.⁹ Shoemake attempted to recruit members of the state senate, with two successful hires: They were Carlos Ashley and Jep Fuller.¹⁰ Those who accepted and worked for the U.S. Trust and Guaranty Co. were under suspicion due to the recent allegations connected to their business dealings with Shoemake. Ashley acted on Shoemake's behalf as his attorney and Fuller also provided help

to Shoemake through his law firm and represented Shoemake's company in several individual cases.¹¹ The hiring of senators was no accident. Shoemake surrounded himself with prominent actors with political prowess to act as a buffer between himself and prying investigators.

State senators gathered an investigation committee and named State Auditor, C.H. Cavness to keep records of the U.S. Trust and Guaranty Co. and all its affiliates.¹² Cavness was asked to prepare a summary of expenditures of the company for 1954 and 1955 and include legal fees, public relations and advertising expenditures, and the names of persons to whom they were paid.¹³ Shoemake's companies had already shown signs of corruption prior to the charges. Renne Allred, an attorney for the receiver of Texas Insolvent Insurance Company,¹⁴ charged the investigating committee; claiming that the company evidenced insolvency earlier in 1955.¹⁵ While Allred's statement is true, the combination of other suspicious companies under Shoemake's authority and the 128,000 investors effected by his company's insolvency created a dire need to retrieve money.¹⁶ Attorney General John Ben Shepperd estimated that investors would only receive around 15 cents for every dollar invested.¹⁷ McLennan County District Attorney, Tom Moore, stated that a grand jury would be empaneled in Waco on January, but was unsure whether they would hear the case against the U.S. Trust and Guaranty Co.¹⁸

Other insurance companies with relationships to Shoemake's U.S. Trust and Guaranty Co. were also under investigation by the Insurance Commission.¹⁹ These companies were ordered to show cause to prove why their licenses should not be revoked.²⁰ These insurance companies included the All American Home Lloyds, the U.S. Life Insurance Co., Southern Medical and Hospital Services of Waco, and American Atlas Life Insurance Co. of Dallas.²¹ The All American Home Lloyds company was shut down after it was proven insolvent, owing around \$235,217.00.²² Some insurance companies, such as the U.S. Life Insurance Co. and Southern Medical and Hospital Services of Waco, were affiliated with other companies: the U.S. Trust and Dallas Fire and Casualty Co.²³ The

entanglement of these companies would prove fatal for the continuation of the U.S. Trust and Guaranty Co. Six other firms belonging to Shoemake were in danger of becoming insolvent. While these companies were being investigated, Shoemake was under close watch as the head of all six companies.

Shoemake's home was searched during a raid led by Byron Lockhart, the attorney for the liquidation division of the Texas insurance commission.²⁴ The search was ordered by District Judge Charles O. Betts, who earlier shut down the 11 firms of the U.S. Trust and Guaranty Co. in Texas.²⁵ Shoemake claimed that he had stashed unaccounted company funds in the amount of \$98,942.67 into his account.²⁶ An article in the *Austin Statesman* claims that Shoemake "co-operated in full with the surprise inventory."²⁷ Even if the money was recovered, it would be nothing compared to the supposed \$7,000,000 lost by Shoemake's company.²⁸

In Waco, January 7, 1956, A.B. Shoemake attempted suicide using a .380 Colt automatic.²⁹ Shoemake was discovered by his neighbor, Joseph W. Barnes, in his home covered in blood.³⁰ Barnes was called by Mrs. Shoemake after Mr. Shoemake missed a previously planned dinner date with Mrs. Hoffman, Mrs. Shoemake's sister.³¹ Barnes went to the side door calling out for his friend, when Shoemake opened the door, bloody and incoherent.³² Barnes rushed him to the bathroom to get him cleaned up, then returned to the phone where Mrs. Shoemake was still awaiting news about her husband.³³ Barnes told her to come quickly and contacted Dr. Boyd Alexander, the Shoemake's family physician to the scene.³⁴ Dr. Boyd put bandages on Mr. Shoemake as Mrs. Shoemake contacted an ambulance.³⁵ When the ambulance arrived, they found Shoemake badly wounded with blood already leaking through both sides of the bandages and sitting slumped in a chair in the side room of his home.³⁶

Shoemake was rushed to Hillcrest Memorial Hospital, where he was provided glucose, plasma, and other treatments to offset potential shock.³⁷ Dr. Alexander reported to *The Austin American*, that "He will probably live until Sunday morning."³⁸ Dr. Aubrey Goodman, quite optimistically claimed, "He may live, but

I wouldn't write any life insurance on it."³⁹ Things looked bleak for Shoemake in the wake of his suicide attempt. On Monday of the following week, Shoemake was declared a dying man, with no hope for survival.⁴⁰ He was given approximately 15 hours to live.⁴¹ Shoemake's suicide attempt created another problem. His life was insured through two policies in the amount of \$1,000,000.⁴² In the event of Shoemake's death, the beneficiary of the insurance policy was the U.S. Trust and Guaranty Co., which was in temporary receivership.⁴³ The creditors, therefore, would be the recipients of his life insurance money in accordance with what they were due. According to a *Houston Chronicle* article, some life insurance policies are voided in the event of a suicide.⁴⁴ However, in Shoemake's case, with his policy it was difficult to determine whether they would be voided or not.⁴⁵ The deciding factor rested with Shoemake and his survival.

The fraudulent nature of Shoemake's business dealings baffled government officials such as State Dist. Judge Charles O. Betts, who said that it was "the most amazing, fraudulent thing it has ever been my misfortune to look at."⁴⁶ Others surely agreed with Judge Betts' opinion. A meeting of depositors from seven cities flocked to San Jacinto high school, where they were planning to discuss a statewide organization.⁴⁷ Ironically, the news of Shoemake's hospitalization was revealed to investors in Shoemake's own company, who displayed a mixed reaction of groans, clapping, and cheers.⁴⁸ State Senator, Jimmy Phillips, commented on the ordeal, saying "anyone who would try to use your misfortune as a political vehicle would in my mind be as guilty of callous indifference to the people's welfare as those who are responsible for this situation."⁴⁹ However, Phillips himself used the opportunity to promise the investors a secure repayment of their funds as he campaigned for governorship.⁵⁰ He told them that his number one objective was to "regain all or part of their life savings."⁵¹

The Texas Insurance Commission was experiencing its own difficulties amid the debacle sparked by Shoemake. Ralph Yarborough, an Austin attorney and gubernatorial candidate, during the same meeting of depositors, called for the resignation of all three

members of the Texas Insurance Commission.⁵² The commission was under criticism for holding closed sessions. Senator Searcy Bracewell of Houston, was replaced by Senator William S. Fly, after Bracewell quit in protest of those closed sessions.⁵³ Renne Allred made a series of charges against the commission for bribery and graft, for which he claimed he could provide evidence.⁵⁴ He also accused them of negligence. Similarly, Yarborough claimed that the insurance commission delayed in acting against the U.S. Trust and Guaranty Co. that the commission demonstrated a “frivolous conception of its responsibilities.”⁵⁵ The structure of the insurance commission was changing. Yarborough said that “They’ve just turned the horses around and hitched them up again with their tails toward the front and their heads up against the dashboard.”⁵⁶ An ineffective commission boded fruitless consequences in the case against the U.S. Trust and Guaranty Co.

The situation was exacerbated further when a group of creditors from Waco boycotted a meeting held by depositors who sought to replace the previous Texas insurance commission.⁵⁷ The boycott was in response to what attorney John L. Bates called a “meeting of political speakers.”⁵⁸ The resultant legal resolution was a statewide audit of all Texas insurance companies. To prevent collusion, no auditor was assigned to check a company of former employment or one in which they owned stock. There was also a second resolution that objected to state legislators from being employed by insurance companies and objected to members of the State Insurance Commission accepting favors or taking trips provided by various insurance companies. These resolutions were a step in the right direction. However, it was discovered, or claimed, that the commission was not fully supportive of their own resolutions. Instead, their resolutions were acting as appeasements and used to rally support under their seemingly strong enforcement of ethical practice.

The \$7,000,000 debt that was claimed against the U.S. Trust and Guaranty Co. was also in dispute, as John L. Bates reported in an article in *The Houston Chronicle*.⁵⁹ Bates stated that he coordinated a detailed investigation into the firm’s financial history. He said that the total loss of the firm should not amount to more than

\$1,200,000, and possibly much less than that. Bates also claimed that he would seek a declaratory statement, giving the depositors of the firm preferred treatment from the state receiver. Depositors organized themselves as the Preferred Depositors Assn. of Texas to enforce their entitlement to first preference on the assets of the U.S. Trust & Guaranty Co. and that an attorney and auditor will be hired as necessary to see that all such assets "be marshaled for our benefit."⁶⁰ The organization of these depositors created a new body of individuals who could now coordinate distribution of assets through the receiver-liquidator and enforcement of criminal and civil pursuits. The Preferred Depositors Association of Texas formed when the Texas Insurance Commission failed to coordinate and perform their duties responsibly. Yarborough's comment, that "The commission for some time has not merited the confidence of the people of Texas or the insurance industry of the state," was part of the feeling and motivational force that led to the development of this new organization.⁶¹

Governor Allan Shivers, who was present at the meeting of depositors, said that the creditors did not need to organize and that the state receiver and the courts could handle the insurance situation without interference. He also claimed that certain politicians were using this problem to their own advantage to gain votes. An *Austin American Statesman* article adds, "He made it clear indirectly, that he was referring to Yarborough."⁶² It is important to note that, in 1956, governor Shivers had already been a large part of the economic backbone in Texas for seven years prior.⁶³ Before being elected governor, Shivers ran and was elected as lieutenant governor in 1946. In the *Texas Politics Project*, he is remembered as having "helped bring Texas into the twentieth century."⁶⁴ After becoming governor in 1949, Shivers replaced long-time partner and former governor Beauford H. Jester, who died on July 11 of that same year. Shivers acted quickly, establishing the Legislative Council and the Legislative Budget Board. During the last years of his governorship, Shivers' popularity began to decline. His political standing on Eisenhower and his opposition to *Brown v. Board of Education* were responsible for his loss of popularity in the eyes

of Texans. What really ended his career as a politician was the corruption of his administration "because of state scandals involving insurance and veterans' lands."⁶⁵ Shiver's push for his own administration to take control of the insurance scandals removes doubt of this accusation. His deference to Yarborough also shows how his fear bubbled up, that the scandals were not new; but were a result of a preeminent system of corruption.

Ralph Yarborough was a political activist who became popular among voters in Texas in the 50s.⁶⁶ Yarborough was elected to the United States Senate in 1957. Shivers retired from politics in 1957.⁶⁷ The state was not only going through a small insurance scandal, but was also experiencing an important turn from conservative to liberal and what became known as "Yarborough-Democrats." Yarborough's "grass-roots" ability to stimulate people and rally voters is a large part of what gave his campaign for reform of the insurance commission its value. State Representative Tom Joseph of Waco reminds us not to become carried away in the words of Yarborough: The meeting "may be a political football for others but not for me. I'm sticking to the cold facts."⁶⁸ At this point, there was no way to be certain who was guilty, and for what crime. A necessity for answers kept the investigation going.

Opinions soon began to come up from the investigation. Tom Moore, District Attorney of Waco, believed that Shoemaker was solely responsible for the fiasco associated with the U.S. Trust and Guaranty Co.⁶⁹ He said, "It is my opinion now that the whole thing was a one-man operation."⁷⁰ Reports from the auditor showed that several insurance companies were going into receivership because of their failure to cooperate and release their records.⁷¹ The possibility of finding evidence for the corruption of Shoemaker's company was slim, especially considering what is known about governor Shivers and the corruption of his administration.

The incestuous interrelationships between various companies created a scenario of panic and mistrust. For example, Shoemaker's home was mortgaged with the title held by another one of his companies: the U.S. Automotive Services.⁷² There is evidence which suggests that Shoemaker played the lead role in the fraudulent

practices of his firms. An article from *The Austin Statesman* says that witnesses in the past month, during various investigations of Shoemake's firms, "had testified that Shoemake ruled the firm with an iron hand," and that "he was the only person who knew the intricate operations that were carried out."⁷³ No other person, except for Shoemake, knew how the companies operated according to witnesses and demonstrated by the lack of knowledge on the part of the Texas Insurance Commission. The answers laid in a new hospital bed.

Shoemake was transferred from Hillcrest Memorial Hospital in Waco to a veterans administration hospital because he had no money to pay his medical bills.⁷⁴ He was showing signs of increasing health. Dr. Boyd Alexander, Shoemake's family physician from Waco, said that Shoemake was in good shape and able to recognize his wife, swallow food and water, and nod his head to answer questions.⁷⁵ Investigators waited anxiously for Shoemake's recovery. With Shoemake's unique knowledge of his company's processes he could provide information privy only to himself. The State Senate and House investigating committees used new tactics while they waited eagerly for the recovery of Shoemake.

A large investigation conducted by the Senate and House investigating committees was set out to check functions of the Insurance Commission, study circumstances surrounding operation and collapse of the U.S. Trust and Guaranty Co., determine if remedial legislation is needed, and investigate lobbying practices.⁷⁶ All four of these items are discussed in this research. The information gathered by later articles in newspapers such as the *Huntsville Item*, show how chaotic the situation became through increased speculation in preparation for the findings of the official investigation. The first sentence of an article titled "State Capitol News", describes accusations and their denials about details regarding the operation of the U.S. Trust and Guaranty Co. and other organizations. Talk of scandals involving politicians became evermore pronounced and public. The previous situation in which Shoemake offered certain political figures employment now seemed a small ordeal compared to the accusations being thrown about in the month following Shoemake's attempted suicide.

Again, the Insurance Commission received criticism when Renne Allred claimed that the commission received evidence of fraudulent activity from a report regarding the U.S. Trust and Guaranty Co.⁷⁷ Though Allred is correct,⁷⁸ it may not be fair to criticize the commission in this way and assume that they were completely aware of fraud. However, it is also reported that the U.S. Trust and Guaranty Co. "operated without a license from May 31, 1955, until put into receivership Dec. 12."⁷⁹ Even this statement is subject to debate because, according to Paul Connor, an attorney for the Insurance Commission, all licenses for insurance companies expire on May 31 and companies are allowed to continue for a time until they acquire a new license.⁸⁰ The Insurance Commission began to work on new policies which would require Texas companies to prove their solvency by May 31 or lose their licenses, and require insurance companies to publish financial reports.⁸¹ The House and Senate committee chairmen expressed their eagerness to question Shoemake, as the political realm offered no true insight into the real dealings of the U.S. Trust and Guaranty Co.⁸²

Two auditors were selected to conduct independent audits of the U.S. Trust and Guaranty Co.⁸³ The two men were Felix Einsohn and Charles K. Leslie. Einsohn was a certified public account from Dallas and Leslie was an independent consulting actuary. The two auditors would investigate the firm to return lost investments to their respective investors. One such company, the Fidelity Trust and Guaranty Co. of Temple, collected more than \$1,000,000 in automobile notes from the defunct U.S. Automotive Service, another company run under the authority of Shoemake.⁸⁴ The companies affiliated with Shoemake's U.S. Trust and Guaranty Co. were already suspected of fraudulent activity. The problem facing investigators was how they were involved and what happened with the reported \$1,000,000 owed by the defunct insurance company.

Even without Shoemake's testimony, investigators began to piece together traces of suspicious activity between Shoemake's companies and other actors. Shoemake's heavy handed managerial tendencies would catch up with him when Leslie, one of the auditors assigned to independently audit the U.S. Trust and Guar-

anty Co., reported to the Senate investigating committee about his time spent under the employment of Shoemake as an accountant.⁸⁵ Shoemake's insurance company, Campbell Builders Corporation, would later become the U.S. Automotive Service. Shoemake retained Leslie in 1954 to assemble data for this company to persuade the Board of Insurance Commissioners of his legal practices. The report was successful, and Leslie was retained once again by Shoemake to process similar data for Shoemake's Southern Guaranty Co. and the transfer of funds from it to the Campbell Builders Co. Leslie's data and the companies seemed on par with the legal practices required of them. Leslie's job would become more difficult, however, after being retained once again by Shoemake for records regarding the U.S. Trust and Guaranty Co.

The U.S. Trust and Guaranty Co. was created out of a merger between Shoemake's U.S. Trust Company and his U.S. Trust and Guaranty.⁸⁶ When retained by Shoemake in 1954, Leslie found that the records were "so inadequate that he withdrew."⁸⁷ Leslie claimed that the figures would have to be guesses, and that Shoemake would naturally be the best one to guess them.⁸⁸ Inadequate records, seven different companies, and transferring funds between them was a recipe for disaster for Shoemake's insurance empire. Leslie was the chief examiner of the Board of Commissioners in 1954 and, upon seeing the inadequacy of Shoemake's records and other companies, determined that the "whole setup" of Shoemake's companies be examined, with property appraisals and new valuations to make up for Shoemake's own lack of data. So, from 1954 to the end of 1955, these companies continued to work within their poorly structured system and eventually rack up an immense debt and lead a man to attempt suicide. It was revealed in Leslie's reports that Shoemake was not simply transferring money, but he was "robbing Peter to pay Paul," as Leslie pictured it. Leslie found three loans from the U.S. Trust and Guaranty Co. to Campbell Builders Co. which were paid to fraudulently display a company in full solvency.

Another development came about in early February regarding the official records of Shoemake's U.S. Trust and Guaranty Co.

Shoemake sent a confirmed 11 letters to Garland A. Smith, the former chairman of the Texas Board of Insurance Commissioners. Smith resigned after acquiring a stomach illness and was unable to provide the information. The investigation revealed that these letters showed the weekly deposits and withdrawals of U.S. Trust and Guaranty Co. from Sept. 30 to Dec. 9, 1955.⁸⁹ There were several documents missing, but from those provided an interesting pattern emerged and a new understanding of the case came about. Auditors testified that the U.S. Trust and Guaranty Co. was making considerable profit from sales of certificates. Shoemake had not obtained a permit to sell certificates after the Securities Regulation Act, and the letters indicate that Smith was aware of the situation. Smith would later make an appearance in court before the McLennan County grand jury to testify against Shoemake and provide necessary information about the case.

Arrangements were attempted to repay the people who had lost money by investing with the U.S. Trust and Guaranty Co., as well as some of its other affiliates, which were all connected to Shoemake. A petition was filed by Representative Bert McDaniel of Waco, and former U.S. Trust attorney, to place priority of liquidation of U.S. Trust and Guaranty Co. payments on draft holders. The amount owed to the 5,600 draft holders was around \$5,800,000.⁹⁰ If the petition went through, the draft holders would get their money back. However, as has been shown, other organizations felt that priority of payments should be made to them in full. This could not possibly work with so many difficulties and the vast number of people negatively affected by Shoemake's companies. The realities investigators faced in the liquidation of owed monies to clients of the former organizations included "unorthodox bookkeeping, annual statements, bolstered by borrowing, blown-up real estate values, and minutes of board meeting never held."⁹¹ These factors made it seem impossible to pay full funds to all parties.

The liquidation process, set in motion by the Fidelity Trust and Guaranty Co., was headed by J.D. Wheeler.⁹² Wheeler claimed that first payments to U.S. Trust and Guaranty Co. creditors could be expected about mid-July. New chairman for the Insurance Com-

mission, J. Byron Saunders, reported that the insurance problem was not completely resolved, but was on its way. The Insurance Commission would begin 4 initiatives to "clean-up" what was left of the debacle.⁹³ These initiatives included: leave of absences granted to four examiners suspected of fraud, an order to certain insurance agencies to show cause lest their licenses be revoked, cut rates for insured crops, and announcing that all advertising of insurance securities be approved by the commission before they are published. Along with this, Saunders said that insurance companies that passed a solvency test and get licenses after May 31 are "entitled to public confidence."⁹⁴

Almost one year later, on February 17, 1957, it was reported in the *Austin American Statesman*, that about \$2,000,000 was now available to be paid to creditors who had lost money with the demise of Shoemake's company.⁹⁵ Byron Lockhart, attorney for the receiver-liquidator, stated that liquidation of the assets was still in progress. The people were going to receive their money. In 1957, Shoemake continued to make slow progress at a veteran's hospital in Waco, where he was transferred due to his inability to pay his hospital bill.⁹⁶ It was reported by doctors that Shoemake was like a child. The gunshot wound to his head went through the part of his brain normally associated with lobotomies. Shoemake continued to receive medical treatment, but doctors made it clear that he would never fully recover from this wound. His motor skills were making progress. The most significant part of Shoemake's condition was his memory. Shoemake could no longer remember anything in clarity.

Initially, after he shot himself a year before, he could recall people and things, but he could not put together items into a context which made sense. He was reported to have been using a wheelchair and answering questions in short answers. He continued to outlive the expectations of doctors. Shoemake should not have survived to see January 8, 1956. His progress was so great that, in 1957, Shoemake was described by doctors to have the mental age of an 8-year-old.⁹⁷ Full recovery was an impossibility according to doctors at the veteran's hospital. The progress of Shoemake,

especially considering the injury, was nothing short of a miracle. Between 1956 and 1957, Shoemake's progress caused Dr. Buckholts to deem him capable of discharge, so long as Shoemake had a caretaker to receive him from the hospital. Unfortunately, for both Shoemake and his wife, Mrs. Shoemake became ill and was unable to receive Shoemake under her care. Dr. Buckholts was unable to provide Shoemake with a caretaker, so it was determined that Shoemake would stay at the hospital indefinitely.

Though sick and still recovering, Shoemake was not free of the consequences awaiting him for his actions before the attempted suicide. He was indicted in Waco on two counts of selling certified drafts without obtaining a permit from the state insurance board.⁹⁸ Tom Moore Jr., District Attorney, said that arraignment would begin as soon as possible for Mr. Shoemake.⁹⁹ Shoemake's attorney, Representative Bert McDaniel, was planning to make an insanity plea on behalf of Mr. Shoemake.¹⁰⁰ McDaniel included that he would seek Shoemake's commitment to the State Hospital for the Insane at Austin.¹⁰¹

Shoemake was never brought to trial.¹⁰² The receivership of the U.S. Trust and Guaranty Co. was formally closed June 6, 1963 by District Judge Charles O. Betts. Liquidation to people with claims against the company received only 40.31 cents on the dollar of their money back from their investments.¹⁰³ The mortgage on the Shoemake home was not considered a homestead because it was mortgaged under the U.S. Trust and Guaranty Co.¹⁰⁴ The mortgage was in the name of Shoemake's brother-in-law, and was ready to be admitted as an asset in the liquidation process until Mrs. Shoemake filed a suit claiming that it was there homestead and could not be mortgaged. The case ended in a settlement. H.W. Hoffman, the brother-in-law whose name was on the mortgage, let the home fall into ruin.¹⁰⁵ The Shoemake guest house caught fire in 1969. Weeds were growing all around the home.

As for the ongoing case, six other people were indicted who were suspected of fraudulent activities connected with Shoemake.¹⁰⁶ They were Willis V. Lewis, Hugh Hope, James M. May, Willis E. Hutcheard, Marshall A. Fuglaar Sr., and Sylvester

Loughlin. Their arraignment was expected in early September. Several charges were brought against them. All included years in prison and thousands of dollars in fines. Just as Shoemake had hired Leslie to present his company's accounts, Shoemake also retained several senators throughout 1955.¹⁰⁷ These senators did not run again but were not indicted on charges either. The fall of Shoemake's company resulted in the second largest liquidation process in Texas state history.¹⁰⁸

In 1955, it was claimed that 1956 would be a year for progress. Indeed, it was a year that saw exceptional progress in multiple arenas of Texas life; economically, socially, and politically. Or, at least, that's how it was portrayed in various news articles and media. Different articles and different papers all reported conflicting numbers at some point. The \$7,000,000 for example, was claimed by some to be only \$1,000,000. By others it was claimed to be \$2,000,000. There was no general factual consensus on numbers or exact details of Shoemake's case. The memory of the fall of Shoemake's empire is, in the public sphere, nonexistent. In the political sphere it is an example of a man who failed at building a successful business. General prosperity was the implied sentiment, but considering the tragic destruction of a man's companies, even under the shroud of a fraudulent mind, must show that there was more to 1956 than a blissful general prosperity. In this instance, we see a man, whose last conscious words included: "the only thing I have done wrong is to try to build a business."¹⁰⁹ Shoemake's attempted suicide exposed the public to the faulty administrative practices of insurance agencies in their time. In the end, it was Shoemake who had the bullet crash through his head, and others accused of fraud, or overlooked, who were paid or fired. Shoemake died at a veterans administration hospital, where he was kept for over 15 years after shooting himself.¹¹⁰ He died on April 30, 1972 at the age of 77 from heart complications. He is buried in San Saba Cemetery.

Notes

¹ *Texas Almanac* (Dallas, TX: Belo Corp., 1953), 76.

² *Ibid.*

³ *Ibid.*

⁴ "Progress in 1955," *Huntsville Item*, January 5, 1956.

⁵ "Progress in 1955," *Huntsville Item*, January 5, 1956.

⁶ *Ibid.*

⁷ "State Capitol News," *Huntsville Item*, January 5, 1956.

⁸ "Solons Cite Shoemake Aid Offers," *Austin American Statesman*, December 21, 1955, 1.

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² *Ibid.*

¹³ "State Capitol News," *Huntsville Item*, January 5, 1956.

¹⁴ *Handbook of Texas Online*, Lisa C. Maxwell, "Allred, Renne, Jr.," accessed August 03, 2017, <http://www.tshaonline.org/handbook/online/articles/fal75>.

¹⁵ *Ibid.*

¹⁶ "Solon Cite Shoemake Aid Offers," *Austin American Statesman*, December 21, 1956, A1.

¹⁷ "State Capitol News," *Huntsville Item*, January 5, 1956.

¹⁸ "Solon Cite Shoemake Aid Offers," *Austin American Statesman*, December 21, 1956, A1.

¹⁹ "Senate Probe Under Way On 6 Firms," *Austin American Statesman*, December 22, 1956, A1.

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²⁰ "State Capitol News," *Huntsville Item*, January 5, 1956.

²¹ *Ibid.*

²² "State Capitol News," *Huntsville Item*, January 5, 1956.

²³ *Ibid.*

²⁴ "A.B. Shoemaker's Home Searched by Officers," *Austin American Statesman*, December 24, 1956, 1.

²⁵ *Ibid.*

²⁶ *Ibid.*

²⁷ *Ibid.*

²⁸ "Trust Boss Improving," *Austin American Statesman*, January 11, 1956, 1.

²⁹ "U.S. Trust Founder Attempts Suicide," *Austin American Statesman*, January 8, 1956, A1.

³⁰ "U.S. Trust Founder Attempts Suicide," *Austin American Statesman*, January 8, 1956, A4.

³¹ *Ibid.*

³² *Ibid.*

³³ *Ibid.*

³⁴ "Boss of U.S. Trust Shoots Self in Head," *Houston Chronicle*, January 8, 1956.

³⁵ *Ibid.*

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